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Rumania

PLACE

ACQUIRED

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Oil Production in 1952

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SUPPLEMENT TO REPORT NO.

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l.	Oil production in Rumania is believed to be only 4,400,000 tons a year, or
	a little more than helf the pre-war production. On 2 August 1952 the
	professional staff of the Petroleum Ministry decided to increase working
	hours from eight to ten hours a day. This increase of working hours, plus
	the strictest possible control, has not made much improvement. As the
	refineries were built to process 9,000,000 tons a year, some of them have been
	closed down. This has resulted in the proposal to transfer the Ploesti

The causes of decreasing production are:

refineries to the Soviet Union,

- a. Bad administration; the managers are chosen for Party influence rather than expert knowledge of the oil business.
- b. Lack of equipment both for refineries and for drilling. The Soviet Union has failed to keep its agreement to supply such equipment.
- c. Failure to develop new deposits.

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STATE

Sabotage by the workers who are badly treated and underpaid by the Communist regime.

In all petroleum plants the political director is much more important than the technical director. The secretary of the plant is normally a Communist as is the chief of cadres. Each plant is under the supervision of the police.

The Soviet Union has continued to calculate the price of oil on a pre-war basis; that is, the world price of 1939, six lei a liter. As a result of inflation the real price has been at times 60, 150, and even 3,000 lei a liter. Immediately before the monetary reform the Rumanian price of oil was 70 lei. Today it is 3.50 lei in the new currency.

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